

## Message Text

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11

ACTION ARA-10

INFO OCT-01 ISO-00 SP-02 AID-05 EB-04 NSC-05 RSC-01

CIEP-01 TRSE-00 SS-15 STR-01 OMB-01 CEA-01 CIAE-00

COME-00 FRB-01 INR-05 NSAE-00 XMB-02 OPIC-03 LAB-01

SIL-01 L-01 H-01 PA-01 PRS-01 USIA-06 /070 W

----- 127600

R 252034Z OCT 74

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC 825

INFO AMEMBASSY BOGOTA

AMEMBASSY CARACAS

AMEMBASSY LA PAZ

AMEMBASSY LIMA

AMEMBASSY QUITO

C O N F I D E N T I A L SANTIAGO 6533

EO 11652: GDS

TAGS: EINV, CI, PE, VE, BO, CO, EC

SUBJECT: ANDEAN JUNTA AND GOC OPTIMISTIC

ABOUT RESOLVING FOREIGN INVESTMENT ISSUE.

REF: SANTIAGO 6118

1. ACCORDING TO PRESS REPORTS, COORDINATOR OF ANDEAN PACT JUNTA, GERMANICO SALGADO, PRESIDENT PINOCHET, AND OTHER CHILEAN OFFICIALS ARE CONFIDENT OF ABILITY OF ANDEAN PACT ORGANIZATION TO OVERCOME DIFFERENCES OVER COMPATIBILITY OF CHILEAN FOREIGN INVESTMENT LAW WITH PACT'S DECISION 24. AT CONCLUSION OF THREE-DAY TALKS ON OCTOBER 23, SALGADO, LEADER OF FOUR-MAN JUNTA TEAM SENT TO SANTIAGO IN SEARCH OF COMPROMISE ON THIS ISSUE, WAS QUOTED AS SAYING THAT SANTIAGO TALKS HAD "BROUGHT FORTH FORMULAS WHICH COULD SERVE AS A BASIS FOR AN ARRANGEMENT." SALGADO WAS REPORTED AS SAYING THAT CHILE AND OTHER FIVE MEMBERS OF THE ANDEAN GROUP WERE PROGRESSING TOWARD SETTLEMENT OF DISCREPANCIES WHICH HAVE DEVELOPED OVER  
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TREATMENT OF FOREIGN INVESTMENT.

2. FOLLOWING HIS MEETING WITH ANDEAN PACT VISITORS ON OCTOBER 23, PRESIDENT PINOCHET TOLD THE PRESS THAT RECENT DIFFICULTIES IN PACT AROSE FROM CONSIDERATIONS OF POLITICAL CHARACTER BUT THAT THESE MEETINGS HAD PAVED WAY FOR OVERCOMING DIFFICULTIES OF THIS KIND.

3. ALSO TO PRES, RICHARD CLARO, ECONOMIC ADVISOR TO FOREIGN MINISTER, DESCRIBED TALK WITH JUNTA AS "CORDIAL AND VERY PRODUCTIVE." AT SAME TIME HE SAID CHILE WOULD NOT MODIFY ITS FOREIGN INVESTMENT LAW.

4. CLARO TOLD EMBOFF PRIVATELY THAT HE WAS VERY PLEASED WITH WAY DISCUSSIONS WITH JUNTA HAD GONE. HE CLAIMED THAT THE MOST IMPORTANT DEVELOPMENT FOR CHILE HAD BEEN IN GAINING ANDEAN PACT JUNTA'S SUPPORT FOR MODIFYING DECISION 24. CLARO THOUGHT THAT PACT JUNTA WOULD BE ABLE TO IRON OUT CHILE'S DIFFERENCES WITH OTHER ANDEAN PACT MEMBERS IN WAY WHICH WOULD IN EFFECT SUSTAIN CHILEAN VIEWPOINT. SINCE JUNTA TEAM IS ABOUT TO VISIT OTHER ANDEAN CAPITALS, WE SHOULD SOON KNOW WHETHER CLARO'S AND OTHER PARTICIPANTS' OPTIMISM WARRANTED. WE REMAIN SKEPTICAL THAT FUNDAMENTAL DIFFERENCE BETWEEN CHILE AND SOME OTHER PACT MEMBERS ON FOREIGN INVESTMENT ISSUE CAN BE AS QUICKLY DISPOSED OF AS ABOVE COMMENTS WOULD SUGGEST.  
POPPER

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## Message Attributes

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**Current Classification:** UNCLASSIFIED  
**Concepts:** INVESTMENT LAW, FOREIGN INVESTMENTS  
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**Disposition Approved on Date:**  
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**TAGS:** EINV, CI, PE, VE, BL, CO, EC, ANDEAN PACT  
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